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JOHN W. GOLDSCHMIDT, JR. ESQUIRE
DILWORTH PAXON LLP
3200 MELLON BANK CENTER
1735 MARKET STREET
PHILADELPHIA, PA 19103

EXAMINER

LIVERSEDGE, JENNIFER L

ART UNIT	PAPER NUMBER
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3692

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/032,653	Applicant(s) BLAUVELT ET AL.	
	Examiner Jennifer Liversedge	Art Unit 3692	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 09 January 2008.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-20 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Response to Amendment

This Office Action is responsive to Applicant's amendment and request for reconsideration of application 10/032,653 filed on January 9, 2008.

The amendment contains original claims: 1-7 and 9-13.

The amendment contains previously presented claims: 14-20.

The amendment contains amended claims: 8.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-2, 4, 7-10 and 12-13 are rejected under 35 U.S.C. 102(e) as being anticipated by Pub. No. US 2001/0037284 A1 to Finkelstein et al. (further referred to as Finkelstein).

Regarding claim 1, Finkelstein discloses a method for automatically identifying a counter party position for a short or a long position (page 1, paragraphs 2-4; page 6,

Art Unit: 3692

paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79),
the method comprising:

Receiving at a first terminal at least two short positions (page 1, paragraphs 2-4;
page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11,
paragraph 79);

Receiving at the first terminal at least two long positions (page 1, paragraphs 2-4;
page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11,
paragraph 79);

Identifying at the first terminal a selected short position from the at least two short
positions and a selected long position from the at least two long positions, the selected
short position and the selected long position identified by parameters associated with
the positions (page 6, paragraph 40; page 7, paragraphs 44-47 and 49; page 8,
paragraph 56; page 12, paragraph 89; page 13, paragraph 103) and

Providing sufficient information from the first terminal to a second terminal and to
a third terminal to allow a transaction between the selected short position and the
selected long position (page 9, paragraph 64; page 11, paragraph 79; page 12,
paragraph 89; page 13, paragraph 103).

Regarding claim 2, Finkelstein discloses a method further comprising filtering the
at least two short positions or the at least two long positions according to filter
parameters (page 4, paragraph 27; page 5, paragraphs 33-34; page 6, paragraph 38;

page 7, paragraphs 44, 47 and 49; page 8, paragraph 56; page 11, paragraphs 81-82; page 12, paragraphs 89 and 91-92; page 13, paragraph 108).

Regarding claim 4, Finkelstein discloses a method wherein the filter parameter is a member identity (page 4, paragraph 27; page 6, paragraph 38; page 7, paragraphs 44 and 47; page 8, paragraph 56; page 11, paragraph 81; page 12, paragraph 92).

Regarding claim 7, Finkelstein discloses a method wherein the at least two short positions include short positions in different securities (page 1, paragraphs 2-5).

Regarding claims 8-10, Finkelstein discloses a computer executable software code, a computer-readable medium containing executable software code and a programmed computer with a memory and processor for following the method as specified in claim 1 (page 12, paragraph 100 – page 13, paragraph 107).

Regarding claim 12, Finkelstein discloses a method for automatically identifying a counter party position for a short or a long position (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79), the method comprising:

Identifying at least two short positions (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79);

Sending information on the at least two short positions to a first terminal (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79); and

Receiving sufficient information from the first terminal to allow a transaction between a selected short position and a selected long position, the selected short position one of the at least two short positions, wherein the selected short position is identified from the at least two short positions and the selected long position is identified from at least two long positions by parameters associated with the positions (page 6, paragraph 40; page 7, paragraphs 44-47 and 49; page 8, paragraph 56; page 12, paragraph 89; page 13, paragraph 103), and information on the at least two long positions is sent to the first terminal (page 9, paragraph 64; page 11, paragraph 79; page 12, paragraph 89; page 13, paragraph 103).

Regarding claim 13, Finkelstein discloses a method for automatically identifying a counter party position for a short or a long position (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79), the method comprising:

Identifying at least two long positions (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79);

Sending information on the at least two long positions to a first terminal (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79); and

Receiving sufficient information from the first terminal to allow a transaction between a selected long position and a selected short position, the selected long position one of the at least two long positions, wherein the selected long position is identified from the at least two long positions and the selected short position is identified from at least two short positions by parameters associated with the positions (page 6, paragraph 40; page 7, paragraphs 44-47 and 49; page 8, paragraph 56; page 12, paragraph 89; page 13, paragraph 103), and information on the at least two short positions is sent to the first terminal (page 9, paragraph 64; page 11, paragraph 79; page 12, paragraph 89; page 13, paragraph 103).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 5, 14-15, 17-18 and 20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Finkelstein, and further in view of US Patent No. 7,231,363 B1 to Hughes et al. (further referred to as Hughes).

Regarding claim 14, Finkelstein discloses a method for automatically identifying a counter party position for a short or a long position (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79), the method comprising:

Receiving at a first terminal at least two short positions (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79);

Receiving at the first terminal at least two long positions (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79);

Identifying at the first terminal a selected short position from the at least two short positions and a selected long position from the at least two long positions, the selected short position and the selected long position identified by parameters associated with the positions (page 6, paragraph 40; page 7, paragraphs 44-47 and 49; page 8, paragraph 56; page 12, paragraph 89; page 13, paragraph 103) and

Providing sufficient information from the first terminal to a second terminal and to a third terminal to allow a transaction between the selected short position and the

selected long position (page 9, paragraph 64; page 11, paragraph 79; page 12, paragraph 89; page 13, paragraph 103).

Finkelstein does not disclose an authorized third party agent to act as a counterparty to each of the short/long position party's on-side transactions. However, Hughes discloses an authorized third party agent to act as a counterparty to each of the short/long position party's on-side transactions (column 3, lines 23-29 and 44-47). It would be obvious to one of ordinary skill in the art to modify the trading system as disclosed by Finkelstein to adapt the use of an authorized third party agent to act as a counterparty as disclosed by Hughes. The motivation would be to create a more liquid market in which the third party agent facilitates trades as well as participating as a counterparty.

Regarding claim 15, Finkelstein discloses a method further comprising filtering the at least two short positions or the at least two long positions according to filter parameters (page 4, paragraph 27; page 5, paragraphs 33-34; page 6, paragraph 38; page 7, paragraphs 44, 47 and 49; page 8, paragraph 56; page 11, paragraphs 81-82; page 12, paragraphs 89 and 91-92; page 13, paragraph 108).

Regarding claim 17, Finkelstein discloses a method wherein the filter parameter is a member identity (page 4, paragraph 27; page 6, paragraph 38; page 7, paragraphs 44 and 47; page 8, paragraph 56; page 11, paragraph 81; page 12, paragraph 92).

Regarding claims 5 and 18, Finkelstein does not specifically disclose a method wherein the filter parameter is a limit on the number of counter parties. However, Hughes discloses a method wherein the filter parameter is a limit on the number of counter parties (column 4, lines 27-29; column 5, lines 3-20; column 9, lines 47-55; column 10, lines 47-53). It would be obvious to one of ordinary skill in the art to modify the securities exchange system wherein selection is made using filtering as disclosed by Finkelstein to adapt the use of selection filtering by number of counterparties as disclosed by Hughes. The motivation would be that investors seek to control the number of counterparties to a manageable level and therefore would filter in order to eliminate the addition of counterparties outside a comfortable level.

Regarding claim 20, Finkelstein discloses a method wherein the at least two short positions include short positions in different securities (page 1, paragraphs 2-5).

Claim 3 is rejected under 35 U.S.C. 103(a) as being unpatentable over Finkelstein as applied to claim 2 above, and further in view of US Patent 7,107,229 B1 to Sullivan (further referred to as Sullivan).

Regarding claim 3, Finkelstein does not specifically disclose a method wherein the filter parameter is a percentage. However, Sullivan discloses a method wherein the filter parameter is a percentage (Figures 2-8 and 11; column 2, lines 9-25; column 4, lines 29-45; column 7, lines 12-16). It would be obvious to one of ordinary skill in the art

to modify the securities exchange system wherein selection is made using filtering as disclosed by Finkelstein to adapt the use of selection filtering by percentage as disclosed by Sullivan. The motivation would be that investors seeking to maintain a particular mix of securities and/or performance level would desire to buy/sell securities which help meet and/or maintain an investors investment and performance objectives.

Claims 6 and 11 are rejected under 35 U.S.C. 103(a) as being unpatentable over Finkelstein, and further in view of US Pub. No. 2002/0095362 A1 to Masand et al. (further referred to as Masand).

Regarding claim 6, Finkelstein discloses a method wherein identifying includes matching information associated with the at least two short positions and information associated with the at least two long positions (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79). Finkelstein does not disclose where the information is CUSIP information. However, Masand discloses where the information is CUSIP information (page 4, paragraph 71; page 5, paragraph 77). It would be obvious to one of ordinary skill in the art to modify the matching system as disclosed by Finkelstein to adapt the use of CUSIP filters as disclosed by Masand. The motivation would be that CUSIP numbers indicate the identity of the issuer and the what kind of security it is and when matches are being constructed, issuers with which the individual does not want to trade or certain types of securities that they do not want to purchase or sell could be entered in order to filter

based on the parameters as described in the CUSIP number, or likewise the filtering can be done in order to present matches which the individual does wish to participate in.

Regarding claim 11, Finkelstein discloses a method for automatically identifying a counter party position for a short or a long position (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79), the method comprising:

Receiving at a first terminal at least two short positions (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79);

Receiving at the first terminal at least two long positions (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79);

Filtering the at least two short positions or the at least two long positions according to filter parameters (page 4, paragraph 27; page 5, paragraphs 33-34; page 6, paragraph 38; page 7, paragraphs 44, 47 and 49; page 8, paragraph 56; page 11, paragraphs 81-82; page 12, paragraphs 89 and 91-92; page 13, paragraph 108);

Identifying at the first terminal a selected short position from the at least two short positions and a selected long position from the at least two long positions, the selected short position and the selected long position identified by parameters associated with the positions (page 6, paragraph 40; page 7, paragraphs 44-47 and 49; page 8, paragraph 56; page 12, paragraph 89; page 13, paragraph 103) and

Providing sufficient information from the first terminal to a second terminal and to a third terminal to allow a transaction between the selected short position and the selected long position (page 9, paragraph 64; page 11, paragraph 79; page 12, paragraph 89; page 13, paragraph 103).

Finkelstein does not disclose where the identification is by CUSIP information. However, Masand discloses where the identification is by CUSIP information. It would be obvious to one of ordinary skill in the art to modify the matching system as disclosed by Finkelstein to adapt the use of CUSIP identifiers and filters as disclosed by Masand. The motivation would be that CUSIP numbers indicate the identity of the issuer and the what kind of security it is and when matches are being constructed, issuers with which the individual does not want to trade or certain types of securities that they do not want to purchase or sell could be entered in order to filter based on the parameters as described in the CUSIP number, or likewise the filtering can be done in order to present matches which the individual does wish to participate in.

Claim 16 is rejected under 35 U.S.C. 103(a) as being unpatentable over Finkelstein and Hughes as applied to claim 15 above, and further in view of US Patent 7,107,229 B1 to Sullivan (further referred to as Sullivan).

Regarding claim 16, neither Finkelstein nor Hughes specifically disclose a method wherein the filter parameter is a percentage. However, Sullivan discloses a method wherein the filter parameter is a percentage (Figures 2-8 and 11; column 2,

lines 9-25; column 4, lines 29-45; column 7, lines 12-16). It would be obvious to one of ordinary skill in the art to modify the securities exchange system wherein selection is made using filtering as disclosed by Finkelstein and Hughes to adapt the use of selection filtering by percentage as disclosed by Sullivan. The motivation would be that investors seeking to maintain a particular mix of securities and/or performance level would desire to buy/sell securities which help meet and/or maintain an investors investment and performance objectives.

Claim 19 is rejected under 35 U.S.C. 103(a) as being unpatentable over Finkelstein, in view Hughes, and further in view of US Pub. No. 2002/0095362 A1 to Masand et al. (further referred to as Masand).

Regarding claim 19, Finkelstein discloses a method wherein identifying includes matching information associated with the at least two short positions and information associated with the at least two long positions (page 1, paragraphs 2-4; page 6, paragraph 40; page 7, paragraph 45; page 9, paragraph 64; page 11, paragraph 79). Neither Finkelstein nor Hughes disclose where the information is CUSIP information. However, Masand discloses where the information is CUSIP information (page 4, paragraph 71; page 5, paragraph 77). It would be obvious to one of ordinary skill in the art to modify the matching system as disclosed by Finkelstein and Hughes to adapt the use of CUSIP filters as disclosed by Masand. The motivation would be that CUSIP numbers indicate the identity of the issuer and the what kind of security it is and when

matches are being constructed, issuers with which the individual does not want to trade or certain types of securities that they do not want to purchase or sell could be entered in order to filter based on the parameters as described in the CUSIP number, or likewise the filtering can be done in order to present matches which the individual does wish to participate in.

Response to Arguments

Applicant has argued that Finkelstein does not teach the claimed structure and operation claimed, particularly with regards to the claim language "providing sufficient information from the first terminal to a second terminal and to a third terminal to allow a transaction between the selected short position and the selected long position" where the structure of a first, second, and third terminals represent primary argument as not being taught by Finkelstein.

However, Examiner respectfully disagrees. For example, Figure 1 discloses an exchange computer and multiple remote terminals, all connected through a network. Figure 2 discloses where multiple parties enter information for purposes of engaging in a transaction. Page 9, paragraph 64 specifically discloses wherein "If a user accurately provides sufficient information defining a satisfaction density profile for an intended transaction, then the system may provide further automation, up to and including the closure of a transaction. Thus, the semi-automated exchange may then become a matching system or automated exchange".

Page 12, paragraph 89 states “The negotiated exchange system according to the present invention includes a plurality of remote terminals associated with respective potential counterparties and a communications network for permitting communication between the remote terminals and a matching computer and between the remote terminals themselves. Each user enters a first set of desired opportunity parameters including ranking and other information into his or her remote terminal. The sorting and filtering may be conducted centrally, or under control of a client system, or some combination thereof. The computer uses a set of transaction parameters (ranking data, price data, size data and other parameters or attributes) from each user to sort potential transactions with potential counterparties in priority order.”

Page 13, paragraph 103 discloses “Remote terminals 101 and 102 also are connected via communication network 1. Remote terminals 101 and 102 may communicate with each other via network 1, optionally with or without involvement of the central computer 11. For example, communications between remote terminals 101 and 102 may take place using a known Internet chat system, h.323 audio and/or video conferencing system, or the like. Alternately, the central computer 11 may intercede in all communications, for example to preserve anonymity prior to contact, to trap deal parameters for memorialization thereof, and to provide a standard and consistent platform. The communications system may also include special functions adapted for repo and reverse trading, making communications activities more efficient.”

Therefore, it is evident that Finkelstein provides for the allowance of transactions to be conducted between a first, second and third terminals. Further, Finkelstein

discloses where a first terminal receives trade information from multiple parties, wherein that trade information is sufficient to allow a transaction between the parties. Finkelstein disclose where the transactions are for long and short positions (page 1, paragraphs 3-4), the use of repurchase agreements and reverse repurchase agreements (page 1, paragraphs 1-5), matching of stock trading (at least page 2, paragraph 19 and page 3, paragraphs 21-22), the matching and trading of foreign currencies or other financial instruments (page 3, paragraph 25), trading currencies and commodities, etc. (page 4, paragraph 32), trading instruments such as repurchase agreements, reverse repurchase agreements and securities lending transactions (page 6, paragraph 40) and it would be obvious that use of a network whereby a central host operates and communicates with multiple remote terminals could be used for conducting any known type of trading/matching transaction.

Conclusion

Any inquiry concerning this communication should be directed to Jennifer Liversedge whose telephone number is 571-272-3167. The examiner can normally be reached on Monday - Friday, 8:30 AM - 5 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz Abdi can be reached at 571-272-6702. The fax number for the organization where the application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for

Art Unit: 3692

published applications may be obtained from either Private PAIR or Public PAIR.

Status information for unpublished applications is available through Private PAIR only.

For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Jennifer Liversedge

Examiner

Art Unit 3692

/Kambiz Abdi/

Supervisory Patent Examiner, Art Unit 3692